



STATE OF UTAH  
NATURAL RESOURCES & ENERGY  
Oil, Gas & Mining

Scott M. Matheson, Governor  
Temple A. Reynolds, Executive Director  
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

June 14, 1982

Mr. R. F. Dewey  
Vice-President, Mining  
American Gilsonite Company  
P. O. Box 28  
Bonanza, Utah 84008

RE: American Gilsonite Mines  
ACT/047/009  
ACT/047/010 ✓  
ACT/047/011  
Uintah County, Utah

Dear Mr. Dewey:

I have been reviewing American Gilsonite's files (Little Emma, Wagonhound 12, and the as yet, unpermitted Bonanza operations) for the Division. I have just recently been able to add the April 1, 1982, submittal from Richard Carlbert to the plans. I have also read all the correspondence we have exchanged since 1977, including many other interagency letters and the Federal Environmental Assessment. My purpose has been to determine what items might be missing, lacking or otherwise needed to bring our understanding of your operations up to date and to facilitate the final permitting of American Gilsonite's operations. I have also pieced together understandings taken from the meeting American Gilsonite had with the Division in February of this year and our meeting with you on-site in March.

Enclosed please find copies of the Permit Application History Reviews which I have briefly itemized. Also, you will find a list of questions which I have attempted to elucidate. Answers to these questions should constitute the remainder of the requirements necessary for the Division to process a Mining and Reclamation Plan for your operations.

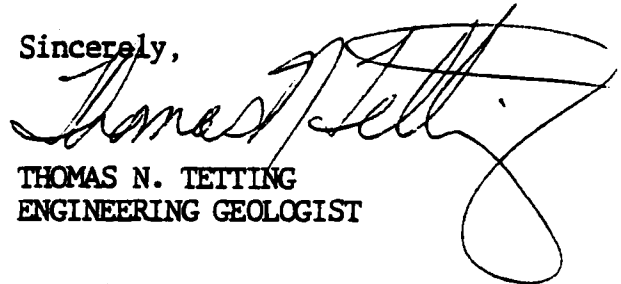
At this time, I find no reason why all three operations cannot be combined into one, according to Mr. Carlbert's suggestion conveyed on April 1, 1982. However, prior to the development of this idea, the Division will need a response to the enclosed questions addressing each item as requested. Afterwards, the Division will approach the Board of Oil, Gas and Mining for tentative approval to be followed by a 30 day public comment period and subsequently, barring no substantially adverse comments, the issuance of final State approval upon receipt of the proper reclamation surety.

Mr. R. F. Dewey  
ACT/047/009  
ACT/047/010  
ACT/047/011  
June 9, 1982  
Page Two

Many of the questions enclosed were asked previously, both in a letter from Gilbert Hunt in December of 1981, and later in March of this year when I visited your office. Mr. Carlbert has not supplied an answer to several items which are again reiterated on this new list. Please have your staff develop the information requested so I may schedule an on-site inspection, review the new data and move this review process on to a more active stage.

I am hoping to arrange a visit after your company has compiled the needed information, perhaps sometime in July, or August at the latest. Should you wish to have certain items clarified prior to finalization, please don't hesitate to call either myself or Jim Smith.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Thomas N. Tetting', with a large, stylized loop at the end.

THOMAS N. TETTING  
ENGINEERING GEOLOGIST

Enclosures

cc: Jackson Moffitt, MMS  
Lloyd Ferguson, BLM, Vernal

TNT/btb



The MR forms of 1977 were updated on September 24, 1980 and again in 1982.

1. Question #1 was not addressed formally in writing. If these permits have been obtained, please indicate so by addressing each one specifically.
2. The maps currently held by the Division do not include areas of topsoil stockpiles, waste piles, drainage patterns, diversions, ponds, etc. Please indicate that these are or are not a part of the mine plan area. These items are required under Rule M-3 and M-6. Please reference the original question on the December 17, 1981 Division letter for the exact items requested. The recent surface map submitted (April 1982) has covered the surface disturbance areas, active and inactive mines, property boundaries and mineral ownership items which were requested originally.
3. To incorporate all mine plans into one, it will be necessary to address this question for the Wagonhound area.

Attachment IIA, referenced in form MR-2, question #10 concerning water discharge, has not been included with the April submission. Is this the same as the 1977 reference? Since active discharges have been indicated, please include on a map such areas that are producing water and in accordance with Rule M-3(1)(e) of the Utah Mined Land Reclamation Act indicate the directional flow of water and receiving washes, streams or rivers. In addition, an analysis should be provided in accordance with M-3(1)(h) or substantiation that discharges are occurring within the EPA limits.

4. and 5.

These questions were not specifically addressed in American Gilsonite's response and should not take a long involved discussion to clarify. Please address them on the original December letter.

6. Adequately covered.
7. The road building has been adequately covered in exploration as well as Federal applications.
8. What methods of topsoil protection and stability insurance are currently in effect on American Gilsonite's properties? Form MR-2 indicates that topsoil is stripped "where practical." What amounts of topsoil are generally taken "where practical?" Please provide estimates in inches of cover and cubic yards per acre (Rule M-3[1][2]).
9. Please detail how contemporaneous reclamation is accomplished on the American Gilsonite properties.
10. Please indicate to the Division what type of seed mix has currently been recommended by the BLM and used by American Gilsonite for revegetation work. The rate of application should also be included (Rule M-10[12], M-3[2][e]).

There was no indication on form MR-2 of the estimated percent of vegetative cover or density. This will need to be provided to enable the Division to carry out the intent of Rule M-10(12). If this cannot be provided, a member of the Division may be able to inspect the property to make an evaluation.

11. The extent of the applicant's intent to comply with Rule M-10(10) and M-10(2) should be emphasized. The considerable danger or potential for endangering public safety and welfare is readily apparent by the existence of open veins. This question must be addressed in detail describing American Gilsonite's commitment to either backfilling, fencing or at a minimum, posting signs adjacent to the open gilsonite veins that continue to exist and are the responsibility of the applicant. If these are "grandfathered" by the implementation of the Mined Land Reclamation Act in May of 1975, the minimum effort of posting warning signs should be undertaken in areas which may be subject to public access or off-road vehicle recreationists, etc. The status of all open cuts and protective measures taken should be accounted for and submitted to the Division.
12. It has been communicated orally by the operation that experience has determined the 30-35 foot surface barrier pillar to be adequate. This should be developed in writing.
13. This question has been adequately addressed.
14. This question has not been answered yet. In order to achieve compliance with Rule M-10(2), this information should be submitted including the locations on a map or plan.
15. This question has also not been answered in writing.
16. This question although reiterated under #10, should be addressed specifically, item by item for compliance with the Mined Land Reclamation Act.
17. This question was not answered in writing.
18. How was the section of vein located in the SW1/4 NW1/4 of Sec. 17 incorporated into the mine plan for the U-0126940 lease (Bonanza Vein)?
19. What is the total bond now held by the Federal Government for all of the operations? Please list this individually by lease and by Agency where posted.
20. The difference between Attachments A, B and C recently submitted for the operations and those attachments similarly listed on a form in 1977 shows an increase in total disturbed acreage of 36.6 acres: 11 acres were involved in enlargement of the mining areas; 16.7 acres of additional roadways; and, 8.9 acres were additionally allotted to increasing the plant sites and miscellaneous areas.

21. This is a request to supply the Division copies of the 1977-1980 Annual Operations Report (Form MR-3) for the Bonanza Operations if they were in existence. Also, the Division will need a copy of the 1977 MR-3 form for the Little Emma Mines if they were operating in 1977. Finally, a copy of the reply that American Gilsonite made to the State Health Department letter of October 16, 1980, whereby they requested information concerning the TDS discharges which were in excess of State standards. I hope this information is available as I feel it is necessary to complete our files.
22. The new Attachments A, B and C indicate that only 3.3 total acres are disturbed for the mine area associated with the Wagonhound Mine Plan. As originally permitted, only three acres were given as the amount of disturbance. Have previously disturbed surface sites been reclaimed so as to substantiate this small acreage increase. If so, what is the status of reclamation work, success rates at revegetation, etc.?



PERMIT APPLICATION HISTORY  
LITTLE EMMA GILSONITE VEIN  
AMERICAN GILSONITE  
ACT/047/011, Uintah County, Utan

October 7, 1977	The USGS forwarded a copy of the proposed mining extension onto Federal Lands Lease #U-126938.
October 12, 1977	The Division requested that American Gilsonite submit Form MR-1.
October 21, 1977	The Division received MR-1 from the company.
November 8, 1977	The Division inspected the minesite.
December 9, 1977	The Order to Show Cause was published.
March 24, 1978	The Division issued final approval. Surety is held by the Federal Government.
April 3, 1978	The Division received a copy of the stipulated USGS approval for the mine.
January 5, 1978	The Division requested a 1977 Annual Report.
February 1, 1979	The 1978 Annual Report was received at the Division.
January 1980	The 1979 Annual Report was received at the Division.
October 20, 1980	The Division received a copy of a Health Department letter requesting TDS discharge information.
January 2, 1982	The Division requested a 1980 Annual Report.
February 3, 1981	The 1980 Annual Report was received.
June 26, 1981	A copy of the request for a modification to existing Federal safety standards was received.
March 10, 1982	The Division requested a 1981 Annual Report.
April 6, 1982	A revised MR-2 and Annual Report was received.  The 1981 report was requested as confidential in file (Con) ACT/047/010.
June 9, 1982	Permit Application History Review conducted.

PERMIT APPLICATION HISTORY  
WAGONHOUND #12 MINE  
AMERICAN GILSONITE  
ACT/047/009, Uintah County, Utan

October 20, 1976	A Mining and Reclamation Plan was received at the USGS office.
January 5, 1977	The Division attended a joint Federal inspection team on-site.
February 3, 1977	A Division letter to the USGS stated position on mine plan review. A separate letter requesting that Form MR-1 be filled out, was sent to American Gilsonite. Tentative approval was suggested.
February 11, 1977	The Division received form MR-1.
February 23, 1977	The Division requested that the disturbed acreage on the plan be changed from 3/4 of an acre to 7 acres.
February 28, 1977	The Division memo of this date confirmed a telephone conversation which applied three acres disturbance to the site.
March 30, 1977	The Division issued tentative approval for the operation.
April 6, 1977	The Order to Show Cause was published.
May 9, 1977	The Division issued final approval. A letter from the USGS was received at the Division. It stated that a conditional Federal approval was granted.
January 5, 1978	The Division requested an Annual Operations Report.
February 1, 1979	The Division received the 1978 Report.
January 24, 1980	The Division received the 1979 Report.
January 2, 1981	The Division requested a 1980 Annual Report.
February 3, 1981	The Divison received the 1980 Annual Report.
July 22, 1981	The Division received a copy of a petition from American Gilsonite requesting that a modification be made to existing File 30 CFR 44.11(b).



Wagonhound #12 Mine  
Permit Application History  
Page 2

February 22, 1982

A meeting was held with the company to discuss the Bonanza MRP review.

March 10, 1982

The Division requested a copy of the 1981 Annual Report.

April 6, 1982

The Division received the 1981 Annual Report and update notices including MR-2.

June 7, 1982

A Permit Application History Review was conducted.



PERMIT APPLICATION HISTORY  
BONANZA OPERATIONS  
AMERICAN GILSONITE COMPANY  
ACT/047/010, Uintah County, Utah

May 20, 1977	The Division received a copy of the Mining and Reclamation Plan. EPA issued a public notice on the amendment to a NPDES permit.
June 7, 1977	Solicitation by the Division for an archaeological clearance from American Gilsonite during the MRP review.
November 16, 1977	American Gilsonite responded to the request of the Division.
May 19, 1980	The Division requested additional information regarding the mine plan and operations.
July 20, 1981	A petition was filed by American Gilsonite for a modification pertaining to Title 30 CFR 44.11, Safety Standards.
September 30, 1981	The Division inspected the operations. More time was spent in discussion than actual field observation.
October 28, 1981	The Division received a copy of a proposed mining plan for the Bonanza gilsonite vein for the company from the USGS. Originally submitted in August of 1979, the review was awaiting a survey.
December 17, 1981	The Division completed a review of the MRP and sent notification to the company of incompleteness. A request for answers to 17 questions was made.
December 29, 1981	USGS environmental assessment received.
February 22, 1982	A meeting was held in the Division's offices to discuss the MRP review conducted in December 1981. American Gilsonite's responses were discussed as well as the location of a lease map in the files which was not previously reviewed.
March 9, 1982	The Division stopped by to inspect the operation, but due to a specific emergency situation on-site, a field inspection could not be made.
April 2, 1982	An approved and stipulated mine plan letter was sent from the USGS to the Division.

Bonanza Operations  
Permit Application History  
Page 2

April 6, 1982	American Gilsonite's response to the December 17, 1981 review.
April 12, 1982	Division concurrence with Federal approval.
June 4, 1982	American Gilsonite's response was given to Tom Tetting for action.
June 8, 1982	Permit Application History Review conducted. 1981 Annual Operations Report in confidential file.





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Scott M. Matheson, Governor  
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4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

December 17, 1981

Mr. Richard Carlbert  
American Gilsonite Company  
P. O. Box 28  
Bonanza, Utah 84008

RE: Mining & Reclamation Plan  
Bonanza Operations  
ACT/047/010  
Uintah County, Utah

Dear Mr. Carlbert:

The Division has completed a review of material forwarded to our office by the U. S. Geological Survey and that submitted by American Gilsonite in the past. The information thus provided does not fulfill the requirements of the Mined Land Reclamation Act, Utah Code Annotated 1953, Title 40-8, and rules and regulations thereof. Outlined below are the deficiencies, questions and comments which the Division staff has compiled concerning your Bonanza operations.

The MR forms submitted in 1977 should be updated to include the lease #U-0126940 and any other applicable areas.

1. Some other approvals that may be necessary are an NPDES permit for water discharge and an air quality order from the State Bureau of Air Quality. The NPDES permit is required by EPA and is obtained with help from the Bureau of Water Pollution Control.
2. American Gilsonite has provided a list (1977) of disturbed areas and acreages; this list needs to be updated. All surface areas proposed to be disturbed should be delineated on a map. A map should also delineate active and inactive mines, property boundaries, surface and mineral ownership, topsoil stockpiles, wastepiles, drainage patterns around the disturbed areas, any diversion, culverts, berms, etc., ponds and discharge points.

3. Applicant should provide an analysis of the water to be discharged.
4. Grades in the disturbed areas should be minimized for sediment control.
5. Applicant states that the vein dips 20°. What does this mean? Aren't these veins near vertical?
6. Applicant should provide map(s) showing outcrop of the vein and mining sequence by year for life of the mine.
7. 3 Applicant should provide a typical cross section and profile of the 1 roads.
8. 3 Applicant should provide the depth of topsoil, how it will be removed and how it will be stored to prevent erosion (i.e., stored away from drainages, revegetated).
9. Applicant should provide a time-table for the accomplishment of each major step in the reclamation plan and include a description of structure removal. Reclamation should proceed contemporaneously with mining.
10. The existing vegetation community needs to be described and percent ground cover determined using methods approved by the Division.
11. Applicant should post warning signs in areas readily accessible by the public and commit to fence off shafts.
12. Applicant states that a 35-foot surface barrier will be left at the top of the vein. The adequacy of this should be justified.
13. Applicant should provide a plan for shaft sealing including cross sections.
14. Where will trash, scrap metal, extraneous debris and other materials incident to mining be disposed of?
15. One of the maps provided depicts a dike and drainage ditch. What are these for?
16. The following comments apply to the revegetation of disturbed areas:
  - A. Applicant needs to discuss the average depth of respread topsoil and provide a more specific description of surface preparation.
  - B. Discuss under what conditions harrowing will be used.
  - C. Commit to test soil before revegetation if it will be sitting for a long time and add fertilizer or amendments as necessary.

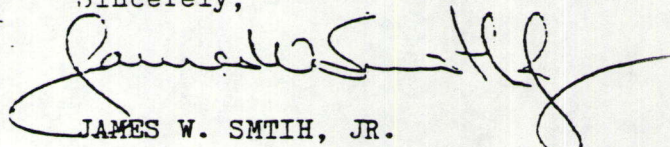


Mr. Richard Carlbert  
ACT/O47/O10  
December 17, 1981  
Page two

- D. Need to include a specific list from the BLM indicating species and amounts to be reseeded. The species should reflect postmining land-use.
  - E. Determine if one seed mix will be used everywhere.
  - F. Discuss how revegetated area will be sampled to determine if success standard has been met.
17. American Gilsonite shall furnish evidence in the form of acceptable insurance policies or other factual data that the operator will be financially responsible during the proposed mining operations for the payment of off-site public liability or property damage claims for which he may become liable.

If you have any questions, please call Gilbert Hunt of my staff.

Sincerely,



JAMES W. SMITH, JR.  
COORDINATOR OF MINED  
LAND DEVELOPMENT

Enclosures

cc: Allen L. Vance, USGS

JWS/GLH/btb